Expect leading analgesics to lose share to ibuprofen

NEW Advil advanced medicine for pain
IBUPROFEN
Advil
NUPRIN Pain Relief Formula
Aches & Pains

The two new OTC brands of ibuprofen to be rolled out are Advil, manufactured and distributed by Whitehall Laboratories, and Nuprin, manufactured by Upjohn and distributed by Bristol-Myers.

By Harold Cohen, R.Ph.

NEW YORK—The Food and Drug Administration decision to move ibuprofen from prescription-only to over-the-counter status will be at the expense of leading brands in the $1.3 billion analgesic market.

That's the opinion of industry experts who agree that ibuprofen will not appreciably increase analgesic sales, but rather will grab market share from some of the top branded aspirin and acetaminophen products.

David F. Saks of A. G. Becker Paribas Inc. is one drug analyst who believes that the top-selling OTC analgesic, Tylenol, is particularly vulnerable.

"I know Tylenol will be hurt," Saks said. "It will no longer be the growth product it once was. I believe that, at the very best, Tylenol sales will remain flat."

Bayer aspirin also stands to lose market share to the new OTC product. But, according to its manufacturer, Glenbrook Laboratories, a major effort will be put forth to hold onto sales of both Bayer aspirin and its Panadol (acetaminophen) products.

"We are prepared to aggressively defend our expanding market share," said Terry Kelley, a spokesman for the company. Nevertheless, Kelley conceded that Glenbrook is considering marketing its own brand of ibuprofen.

But Glenbrook and McNeil, maker of Tylenol, would have to wait until May 1985 when ibuprofen's patent expires.

As a legend drug, ibuprofen is currently being marketed under the brand names Motrin (Upjohn) and Rufen (Boots). Used by about seven million pa-

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Congress O.K.'s crime bill

WASHINGTON—Final Pharmacy crime legislation sailed through Congress late last month despite bitter opposition from independent druggists seeking even broader Federal jurisdiction over drug store robberies and burglaries.

The compromise measure, which was awaiting President Reagan's signature at presstime, grants Federal Justice Department officials new but limited authority to prosecute individuals charged with stealing any controlled substances from drug stores, hospital pharmacies, drug wholesalers or manufacturers.

Under the new law, Federal authorities will be allowed to intervene in pharmacy robbery cases if the replacement value of the controlled substances involved exceeds $500.

In addition, the Justice Department will be authorized to prosecute in all cases involving "significant bodily injury" or interstate commerce, regardless of the value of drugs involved.

Although the final compromise measure drew strong support from the National Association of Chain Drug Stores, the American Pharmaceutical Association and the National Wholesale Druggists Association, lobbyists for the National Association of Independent Druggists openly attempted to block passage of the bill, charging that the "triggering" conditions for Federal prosecution are too restrictive.

NARD raised particularly vigorous objections to the dollar threshold, which officials at the independent pharmacy group charged "might just as well be $50,000!"

Although the author of the compromise bill, House Crime Subcommittee Chairman William Hughes (D-N.J.), agreed to an NACDS proposal lowering the original $1,000 dollar trigger to $500, NARD officials concluded that this "will not help us" because "our members get shot for one bottle of Dilaudid."

In House testimony earlier this year opposing Hughes' measure, one NARD witness told Congress that "three bottles of Dilaudid 100s might cost the pharmacist about $80, but bring $15,000 on the street. Many criminals will commit a robbery for much less than the $80 replacement value of those Dilaudids," he added, "but the robbed pharmacist would need to have surrendered *19* bottles with a street value of $95,000 to qualify for Federal help."

Other restrictions in the compromise bill—including the provision allowing Federal prosecution of drug store robberies resulting in "bodily injury" to pharmacists and customers—also drew fire from NARD as too restrictive.

Although Hughes later compromised on this point to permit Justice Department prosecution of cases involving "pistol whippings," "psychological trauma" and other "significant" (but not life-threatening) injuries, NARD stepped up its opposition to the bill.

In the end, however, Senate pharmacy crime bill backers sympathetic to NARD's concerns concluded that further resistance to the compromise would doom all hope for enactment of any controlled-substance robbery law this year.

News in brief

Pay 'n Save 1st qtr. net income drops 64%

SEATTLE—First quarter net income at Pay 'n Save plummeted 64% to $1.01 million from $2.8 million during the same period last year.

Sales posted by the diversified, Seattle based retailer rose 18% to $303 million from $256 million the previous year.

Earnings per share for the first quarter ended April 28 declined to 7¢ per share from 20¢ per share during the previous quarter last year.

Calvin Hendricks, Pay 'n Save's vice chairman and ceo, attributed the decline in earnings in part to closing of the sporting goods departments in the company's Ernst Home Center stores. Hendricks also cited higher than expected start-up costs of Pay 'n Save's Price Saver warehouse division and its newly acquired wholesale drug subsidiary, Northwestern Drug.

Revco completes Odd-Lot acquisition

TWINSBURG, Ohio—Revco has completed the acquisition of Odd-Lot Trading Company, one of the nation's largest wholesalers and retailers of close-out merchandise. Under the "pooling of interests" transaction, Revco issued 4.4 million new shares of common stock to purchase the 66-unit chain.

Peoples' subsidiary gets new ceo

ALEXANDRIA, Va.—Peter M. Alexander has been elected chairman of the board and ceo of B. H. Krueger, the manufacturing subsidiary of Peoples Drug Stores, Sheldon W. Fantle, Peoples chairman, president and ceo, announced. For the past five years Alexander was with ATI Inc., Westport, Conn., most recently as corporate vp and general manager of the Chem Spray division. Krueger manufactures private brand powders, creams, lotions and stick deodorants for a number of national chains, including Peoples. It is also involved in contract packing services for many department store lines of fragrances and cosmetics.

Bob Cole, former Cole chairman, dies

KNOXVILLE, Tenn.—Robert Cole, former chairman of the board of Cole Drug, died last month at the age of 78. Cole, an honorary board member of the NACDS, headed the chain, which had stores in Alabama and Tennessee, until it was merged into Revco in 1971.

Medicare-Glaser net increases 13.8%

ST. LOUIS—Medicare-Glaser posted a 13.8% increase in net earnings for the fiscal year ended March 31, to $1.1 million from $970,000 a year ago. Sales for the year rose 10.1% to $76.8 million from $69.7 million. Earnings per share were 43¢ compared to last year's 41¢.

In the fourth quarter, earnings increased 34.1% to $114,000 from $85,000. Sales for the period were up 1.6% to $18.5 million.

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Retailers concerned over vendor plans for in-store OTC labeling

WASHINGTON—Chain and independent drug stores will be expected to post shelf markers or display signs listing all inactive ingredients in a wide range of over-the-counter drug products, under the Proprietary Association's proposed new voluntary disclosure program.

The thrust of the association's labeling initative is to head off pending Federal legislation mandating such disclosures by manufacturers of thousands of OTC drug products. (Current law requires only that active ingredients be listed on labels.)

PA member firms participating in the program will print alphabetical-order lists of the inactive ingredients on the labels of all of their nonprescription drug products, except those in packages too small to carry such a listing.

For OTC in "very small packages," retail pharmacies will be expected to cooperate by posting signs or labels listing inactive ingredients on "counter or shelf displays" next to those drugs, PA officials told *Drug Store News*.

Although a spokesman for the OTC manufacturers' association acknowledged that retail pharmacy groups were not consulted prior to the announcement of the new label disclosure plan late last month, she predicted that the program would not meet with any serious drug store industry resistance.

But the proposal has already raised eyebrows and concerns in key drug store industry circles.

Although PA told *DrSN* that manufacturers would bear the cost of supplying drug stores with any necessary signwork, officials at NACDS noted that retailers would likely be responsible for the expense of maintaining those small package ingredient disclosure notices.

In addition, NACDS officials voiced concern over the possibility that the OTC ingredient signs may reduce the number of available shelf facings in pharmacies and add to "visual clutter" in drug stores.

The darkest retail industry reservation, however, involves

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Home health, video star at Assoc./Affil. show

NEW YORK—Convalescent aids, unique gift and promotional items and video cassettes received a healthy share of attention during the combined Associated/Affiliated spring buying show at the Omni Park Central Hotel here May 21 to 23.

Ira Shain, president of Associated, and Phil Weinstein, president and general manager of Affiliated, both heralded the show as a success with a greater turnout than last year—89 chains represented compared to 83 in 1983. There were 110 exhibitors—a sell-out—with 27 new vendors.

"This was our third combined show, and the best so far," said Weinstein. "The buyers stayed longer and the traffic flowed better."

Shain said he was particularly pleased with the number of new vendors. "It really keeps the show alive."

Both men pointed out that home health care had been of particular concern to buyers. There were three vendors in this category, Timex, Higgs—exhibiting for the first time at this show—and Robert Kwait.

Shain said that more and more drug store chains were buying this category. "Even if they don't have a freestanding unit, they should have a section," he added.

Weinstein said that during Affiliated meetings that preceded the show, members broke into seven groups and discussed ways to compete against supermarkets, combos and deep-dis-

Continued on page 50

FINANCIAL

Adams 1st qtr. sales up, earnings flat

PAWTUCKET, R.I.—Earnings were flat for the first quarter ended March 31 at Adams Drug, despite a nearly 6% increase in sales.

Sales for the first quarter increased to $74.8 million from $70.6 million during the same period last year. First quarter net earnings rose slightly to $570,000 from $568,000.

According to Jim Salmanson, executive vp of 425-unit chain, the fact that Easter fell during the second quarter this year held down earnings. In addition, Salmanson said the chain's LIFO charges were more of a factor during the first quarter.

Looking ahead to the second quarter, Salmanson expects net income to rebound. He cited a strong Easter selling season and better weather conditions.

Supermarkets General net drops 2%, but sales rise

WOODBRIDGE, N.J.—Supermarkets General, parent company of Pathmark food and drug stores, reported that net earnings for the year ended April 30 declined 2% to $38.7 million from $39.6 million last year. Sales increased to $3.6 billion from $3.3 billion.

Leonard Lieberman, president and ceo, said the results were "significantly impacted" by a strike in 47 supermarkets that began in mid-January and continued through the first 12 days of the fourth quarter.

In the fiscal year's final quarter, net profits decreased 32% to $4.2 million, while sales rose to $886.1 million from $822.8 million.

The company said it expects to open seven additional freestanding drug stores—including three deep discounters in Baltimore—during 1984.

Fay's 1st qtr. profits jump 63.5% to $1.3M

LIVERPOOL, N.Y.—Fay's Drug Co. reported that net earnings for the first quarter ended April 30 jumped 63.5% to $1.3 million from $814,000 in the corresponding period last year.

Earnings per share, adjusted to reflect the issuance of one million additional shares of common stock in May 1983 as well as a 2-for-1 split in September, increased to 10¢ from 7¢.

For the quarter, revenues rose to $82.6 million, 20.5% higher than the $68.5 million recorded in the same period last year.

Hency A. Panasci Jr., chairman, said the "performance reflected additional gains in all merchandise categories. Our prescription departments continue to benefit from the AccuFays computerized pharmacy system, which improves the productivity of our pharmacists and provides valuable services to our customers. Pharmacy sales increased 24% in the first quarter and created additional customer traffic in our stores."

During the first quarter, Fay's opened new stores in Niagara Falls, Plattsburgh and Troy, N.Y., and Scranton, Pa.

Pay Less cuts ad budget to hike gross

WILSONVILLE, Ore.—A planned reduction in advertising slowed sales growth at Pay Less NW for the first quarter, but at the same time improved the chain's gross margins.

As a result, the company reported a 43% increase in net earnings, for the period ended April 30, to $7.3 million from $5 million in last year's quarter.

Earnings per share rose 40% to 21¢ from 15¢. The latter figure has been adjusted to reflect a 2-for-1 stock split declared in May 1983.

Pay Less sales for the quarter increased 5% to $203.9 million from $195 million a year ago.

Edward B. Hart, chairman, president and ceo, said that in addition to a reduction in ad expenses, Pay Less' bottom line benefited from "expanded utilization of our distribution system."

Chain drug stocks drop in market decline

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		From 05-04/84 - 05/21/84							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change					Indicated Dvd. rate			Last Fiscal Year			Last Fiscal Year (Per Share)		
					Monthly Change		52-Week																				
Name	Symbol	High	Low	Close	Amt	Pct	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct	5-Year Annual Growth Rate	Profit Margin	Latest P/E Ratio	Amt.	Yield	Last X-Dvd. Date	Revenue	Earnings	Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
-	-	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	-	$	%	-	$ Mil	$ Mil	-	$	$	-
Chain Store transactions																											
Adams Drug	ADG	14.25	11.00	11.00	-3.00	-21.43	24.88	11.00	-.55	-3.16	2.75	-18.58	1.74	.62 F	55.3	40.0	2.4	6.3	.04	.4	03-09-84	302.1	7.1	3.2	7.78	11.40	1283
Am Stores	ASC	33.75	30.75	30.88	-1.25	-3.89	44.00	26.38	.50	-1.74	-1.62	-2.95	3.61	.92 F	34.2	62.0	1.5	8.6	.64	2.1	03-22-84	7983.7	117.9	1.4	11.95	12.14	0183
Begley Drug	BGLY	16.00	15.50	16.00	.00	.00	24.00	15.50	-.07	1.56	5.16	94.00	1.47	1.46 N	NC	-10.0	1.4	11.0	.68	4.3	04-13-84	56.8	.8	1.8	11.50	17.52	0383
Big B	BIGB	10.50	9.75	9.75	-.63	-6.02	14.50	9.75	-.35	-.09	-2.72	50.22	.53	.14 F	35.8	22.0	3.0	18.4	.00	.0	09-21-83	117.0	3.5	2.3	.18	3.88	1283
Dart Drug Corp	DRUGA	85.00	81.00	84.00	.00	.00	148.00	57.00	.97	.81	-2.68	6.35	5.43	6.32 N	207.2	67.0	3.1	9.0	.13	.2	03-05-84	291.8	9.1	2.0	12.01	28.91	0183
Drug Sys	DRGS	5.25	4.75	4.75	-.50	-9.52	9.31	4.75	-.36	-1.99	-1.24	52.04	.55	.65 N	NC	NC	2.6	7.3	.00	.0	01-25-84	26.7	.7	2.8	2.40	3.12	0383
Eckerd, Jack	ECK	23.75	22.25	22.50	-1.13	-4.76	29.88	21.63	.02	-.19	-2.73	-24.80	1.91	.30 S	16.3	6.0	3.1	10.5	1.00	4.4	03-12-84	2325.0	71.7	2.0	.30	15.17	0783
Fay's Drug	FAY	9.88	9.25	9.88	.50	5.33	14.50	8.81	-.06	1.42	-1.35	52.42	.60	.13 F	27.6	56.0	2.6	16.5	.14	1.4	03-19-84	312.4	8.1	1.7	1.78	3.82	0184
Genovese Drug	GDX	13.38	11.88	12.63	-.75	-5.61	20.50	10.19	-.15	.97	5.31	8.90	.96	.29 F	43.2	98.0	2.0	13.2	.20	1.6	03-29-84	193.8	3.9	1.7	1.90	4.95	0183
Hook Drugs	HOOK	22.50	20.00	20.00	-2.50	-11.11	29.75	18.50	.34	-1.24	-4.17	36.61	2.01	.49 F	32.2	7.0	2.7	10.0	1.00	5.0	04-09-84	320.5	8.7	1.7	2.86	9.37	1282
Longs Drg Strs	LDG	41.75	39.13	39.88	1.00	2.57	50.13	37.75	.10	-.04	.83	4.33	3.43	.51 F	17.4	10.0	3.0	11.6	1.28	3.2	05-22-84	1214.4	36.4	1.9	.00	20.32	0184
Pay N Save	PAYN	18.50	16.00	16.00	-2.50	-13.51	28.75	16.00	-.04	-2.54	4.43	-.90	2.02	.61 F	43.2	1.0	2.5	7.9	.60	3.8	05-21-84	1220.5	30.1	2.0	9.01	14.37	0184
Pay Less NW	PAY	16.50	15.25	15.50	-.75	-4.62	20.19	14.00	-.06	.44	.96	58.26	1.35	.28 F	26.1	1.0	2.9	11.5	.34	2.2	06-18-84	852.9	24.7	1.8	4.62	7.19	0184
Perry Drug	PDS	16.25	14.38	14.50	-1.50	-9.38	22.38	14.00	-.02	-.90	1.53	53.28	1.02	.37 Q	50.0	11.0	1.6	13.1	.24	1.7	05-21-84	285.5	4.5	2.2	2.78	9.75	1083
Revco Drug	RDS	28.00	24.38	25.25	-1.88	-6.91	37.50	24.00	-.36	-1.27	-5.21	.68	2.13	.56 N	29.7	24.0	3.7	10.3	.68	2.7	02-17-84	1792.8	66.5	2.5	1.33	11.59	0583
Rite Aid Corp	RAD	20.50	17.50	18.00	-1.75	-8.86	23.44	17.50	.10	-1.36	-3.87	15.75	1.47	.29 F	24.5	31.0	5.1	12.2	.41	2.3	04-10-84	1223.3	62.2	1.7	.59	6.19	0283
Thrifty Cp	TFD	15.63	14.88	15.13	.13	.83	25.25	11.50	.57	.00	-.80	-5.26	1.13	.28 S	28.0	19.0	1.9	11.8	.52	3.4	05-04-84	1187.8	22.5	1.5	5.39	6.83	0883
Walgreen Co	WAG	35.25	31.00	31.00	-3.75	-10.79	40.38	30.00	.05	-.49	1.32	-30.60	2.24	.57 S	29.0	34.0	2.9	12.3	.72	2.3	05-14-84	2360.6	69.0	1.6	1.76	11.47	0883
Wholesaler's transactions																											
Bergen Bruns	BBCA	25.13	21.25	21.25	-3.50	-14.14	39.50	21.00	-.14	-2.00	-2.53	-20.03	1.60	.22 S	14.6	38.0	1.4	12.4	.32	1.5	04-25-84	1452.0	20.0	1.6	1.22	9.99	0883
McKesson Cp	MCK	36.00	34.50	34.50	-1.50	-4.17	51.00	32.50	.01	.22	.15	-31.23	3.44	.38 N	11.7	5.0	1.6	9.6	2.40	7.0	05-25-84	4053.7	63.2	1.6	15.78	29.70	0383
Foxmeyer Cp	FOXM	24.75	23.00	23.00	-1.75	-7.07	28.50	22.25	-.18	-.69	-3.05	-5.40	.94	1.43 N	NC	103.0	.7	16.1	.00	.0	00-00-00	351.1	2.3	2.2	15.38	3.87	0383
Ketchum	KCH	15.38	13.25	13.50	-2.00	-12.90	21.00	11.19	-.45	-.53	-.57	18.29	.89	.51 N	113.3	97.0	.4	14.1	.00	.0	09-26-83	211.4	.9	1.5	5.87	5.68	0483
Owens & Minor	OBOD	12.75	12.00	12.25	-.50	-3.92	18.75	12.00	-.24	.18	.19	52.62	1.41	.48 Q	53.3	12.0	1.2	8.9	.36	2.9	03-09-84	255.2	3.0	2.8	5.07	11.69	1283
Spectro Indus	SPO	21.13	19.38	19.38	-.50	-2.52	28.75	15.50	.38	-.78	-.89	19.93	1.78	.43 F	31.8	63.0	1.8	10.9	.14	.7	03-30-84	395.4	7.2	1.7	2.86	7.24	0383
Manufacturer's transactions																											
Abbott Labs	ABT	43.88	41.75	41.75	-1.00	-2.34	53.38	38.25	.04	-.17	-1.88	-3.60	2.86	.49 F	20.6	28.0	11.9	14.6	1.20	2.9	04-09-84	2927.9	347.6	1.9	4.00	11.71	1283
Am Home Prod	AHP	53.75	51.75	52.38	-2.13	-3.90	55.75	42.88	-.05	.43	-1.56	.87	4.00	.41 F	11.4	17.0	12.9	13.1	2.64	5.0	05-07-84	4856.5	627.2	3.0	.00	13.14	1283
Baxter Travenol	BAX	17.63	16.50	16.88	-.75	-4.26	31.31	15.63	.13	.28	-3.11	-7.41	1.45	.10 Q	7.8	24.0	11.8	12.3	.33	2.0	03-23-84	1842.5	218.1	1.7	1.60	8.17	1283
Block Drugs Co	BLOCA	27.25	27.25	27.25	.00	.00	34.47	24.75	-.01	.59	3.80	-40.00	2.85	.47 N	17.6	14.0	9.7	8.7	1.00	3.7	02-24-84	219.0	21.3	2.5	2.35	17.84	0383
Bristol-Myers	BMY	45.25	43.13	43.25	-1.63	-3.62	48.00	35.75	-.23	-.42	1.78	-10.33	3.00	.41 F	15.8	19.0	10.4	14.4	1.60	3.7	04-02-84	3917.0	408.0	2.4	.71	13.99	1283
Carter-Wallace	CAR	23.00	20.25	20.38	-2.50	-10.93	28.75	18.00	-.11	-.85	-3.82	28.38	2.12	.31 N	15.5	35.0	5.7	8.8	.48	2.4	04-13-84	289.9	16.5	2.6	1.57	20.15	0383
Cooper Labs	COO	25.63	21.50	22.88	-2.88	-11.17	25.75	10.38	1.54	-.41	-2.59	-17.33	NA	NA	NA	NA	NA	NA	.12	.5	03-12-84	NA	NA	NA	NA	NA	NA
Forest Labs	FRX	22.88	18.25	18.38	-4.50	-19.67	40.75	16.13	-.12	-2.47	-2.84	5.08	.48	-.02 N	-3.5	57.0	13.4	34.0	.00	.0	01-14-83	18.6	2.5	3.7	.37	3.03	0383
ICN Pharm	ICN	7.13	6.13	6.50	-.38	-5.45	15.25	4.88	.46	-1.44	3.51	-12.60	.22	-.20 F	-47.6	33.0	5.1	29.5	.00	.0	00-00-00	37.0	1.9	1.8	.65	3.81	1182
Key Pharm	KPH	13.88	11.63	11.88	-1.38	-10.38	25.94	11.63	-.31	-1.04	-6.10	32.42	.51	.17 F	50.0	60.0	14.8	23.3	.16	1.3	03-12-84	127.3	18.8	1.6	.03	1.14	1282
Lilly Eli Co	LLY	63.63	60.00	60.00	-1.63	-2.64	68.38	56.75	-.23	-.35	-1.78	3.66	6.13	.71 F	13.0	12.0	15.1	9.8	2.90	4.8	05-09-84	3033.7	457.4	1.9	1.23	28.86	1283
Lee Pharm	LPH	3.00	2.75	2.88	.00	.00	4.38	2.00	.50	.54	6.19	18.05	-.49	.54 Q	NE	-57.0	-14.3	NE	.00	.0	00-00-00	7.0	-1.0	2.6	.41	1.53	0983
Marion Labs	MKC	33.63	31.75	31.75	-1.50	-4.51	48.00	27.25	-.12	-.50	-.42	33.58	.78	.46 N	69.6	17.0	8.2	28.3	.40	1.3	06-14-84	181.2	14.8	2.5	.05	5.93	0683
Merck & Co	MRK	92.50	88.50	89.88	-.38	-.42	104.63	83.63	-.24	.08	-1.27	8.40	6.10	.58 Q	10.2	7.0	13.9	14.4	3.00	3.3	03-01-84	3246.1	450.9	1.7	5.21	32.92	1283
Morton Thiokol	MTI	81.00	74.25	74.25	-6.25	-7.76	[illegible]	60.00	-.08	-.74	-9.54	31.22	5.15	1.25 N	25.7	17.0	5.2	12.2	1.76	2.4	05-24-84	1509.2	78.5	1.4	8.90	32.79	0683
Newport Ph	NWPH	5.50	4.75	5.00	-.38	-6.98	11.25	4.38	.32	1.02	-2.14	15.83	-.03	-.09 N	NE	14.0	-3.4	NE	.00	.0	00-00-00	8.8	-.3	3.7	.24	1.12	0483
Pfizer Inc	PFE	34.25	30.88	31.13	-2.88	-8.46	44.75	30.88	-.18	-.96	-.22	13.00	2.73	.62 F	29.3	17.0	11.9	11.4	1.32	4.2	05-14-84	3750.0	447.1	2.1	3.03	13.67	1283
Reid Prov Labs	REID	4.38	3.75	3.75	.00	.00	6.09	2.75	.43	-2.80	3.56	22.79	.10	.03 N	30.0	56.0	6.1	28.8	.05	1.3	12-09-83	11.4	.7	3.1	.03	.80	0683
Robins, AH	RAH	18.63	16.63	16.88	-.38	-2.17	29.38	15.88	.18	-.17	.29	-46.77	2.40	.42 F	21.2	20.0	10.3	7.0	.68	4.0	05-04-84	563.5	58.2	3.2	1.30	13.99	1283
Rorer Group	ROR	31.13	29.50	30.13	-.88	-2.82	34.25	25.25	-.05	.15	.93	-7.25	2.02	.22 F	12.2	11.0	8.9	14.9	1.08	3.6	05-04-84	475.3	42.4	2.0	2.18	10.43	1283
Scherer RP Co	SCHC	14.50	12.13	12.50	.13	1.01	29.63	11.63	.14	-.86	4.69	18.70	1.13	-.39 N	-36.7	2.0	5.2	18.7	.32	2.6	03-14-84	169.7	8.8	2.5	4.57	10.88	0383
Searle, GD	SRL	43.00	37.50	38.38	-3.75	-8.90	55.88	37.50	-.33	-1.76	-2.18	26.04	2.39	-.17 F	-6.6	14.0	11.6	16.1	.52	1.4	05-08-84	946.0	110.0	2.2	4.10	13.32	1282
Squibb Corp	SQB	43.50	40.00	40.25	-2.38	-5.57	55.63	38.25	-.14	.26	-5.78	-3.61	3.31	.30 F	9.9	6.0	9.8	12.2	1.44	3.6	05-14-84	1768.9	173.3	2.4	3.86	23.24	1283
Sterling Drug	STY	25.75	24.75	24.75	-.38	-1.49	29.63	23.50	-.16	.28	-.63	-16.19	2.24	.13 Q	6.0	7.0	7.2	10.9	1.16	4.7	05-01-84	1901.2	136.8	2.7	1.44	14.96	1283
Syntex Corp	SYN	44.25	41.75	42.88	-.38	-.87	61.50	37.75	.30	.51	.59	16.21	4.30	.40 S	9.9	36.0	17.2	9.7	1.60	3.7	05-07-84	870.2	149.3	2.2	3.37	18.11	0783
Thompson Med	TM	23.38	20.50	22.38	-.25	-1.11	26.00	12.75	.45	1.12	-3.26	-14.35	1.65	.49 F	42.2	89.0	11.0	13.6	.40	1.8	03-26-84	149.4	16.5	4.5	.00	4.53	1182
Upjohn Co	UPJ	70.25	66.00	66.00	-.50	-.75	72.25	50.75	.06	-.76	-2.61	43.06	5.28	1.65 Q	38.7	2.0	8.1	11.2	2.56	3.9	03-30-84	1986.1	160.2	2.2	18.02	34.74	1283
Warner-Lambrt	WLA	31.13	29.50	29.75	-1.38	-4.42	36.75	26.38	-.60	.80	-.60	-14.48	2.51	.46 F	22.4	-2.0	6.5	11.9	1.48	5.0	04-30-84	3108.3	200.5	1.9	7.53	17.75	1283

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Footnotes:

NA - Not Applicable
NC - Not Calculable
NE - Negative Earnings
NM - No Meaningful Figure
Q - First Quarter
S - First 6 Months
N - First 9 Months
F - Fiscal Year

Data and Table Prepared by Media General Financial Services, Inc., Richmond, Virginia 23219

MERCHANDISER

Nyquil, Robitussin and Vicks continue to be the favorite liquid remedies.

OTC converts lead cough/cold

Some of the best-selling products in the cough/cold category are ex-prescription products recently converted to OTC status.

According to retail drug store buyers for the cough/cold category, OTC converted products have helped boost overall category sales by almost 30% over last year. For 1983, according to *Drug Stores News*' annual survey of chain drug stores, cough and cold products totaled $463 million. Steven Sorkin, vice president of merchandising for Auburndale, Mass.-based Rix Corp. said the OTC preps are doing so well, they're "taking over the market."

Thanks largely to OTC converted products like Actifed, Drixoral, Afrin, etc., sales of cough/cold products at Rix increased as much as 25% this winter, he said.

Other buyers are reporting the same phenomenon. "Actifed and Drixoral have been great for us," said Paige Ilberton, OTC buyer for Kerr Drug in Raleigh, N.C.

Recent OTC conversions like Actifed and Drixoral are rapidly gaining market share.

Older brand name capsules like Contac are still good sellers.

"These products have changed everything around," said Gordon O'Reilly, vice president and merchandise manager for the Bartell Drug in Seattle. "Afrin is fantastic and Actifed is a phenomenal seller."

One of the reasons OTC cough/cold products are doing so well, buyers said, is because they're coasting on the best possible recommendations: doctor's prescriptions.

"People have gotten Actifed by prescription before and they've liked it," said Norman Labus, buyer for Medicare-Glaser in St. Louis. "The track record for Actifed was good before."

On top of their illustrious track records, many OTC converted cough/cold products are perceived by shoppers as excellent price values. Many chains and independents price Actifed below Contac.

1983's best selling cough/cold products by unit sales

Rank	Product	Size
1	Nyquil	6 oz.
2	Actifed tabs	24's
3	Robitussin DM	4 oz.
4	Contac capsules	10's
5	Afrin nasal spray	15ml
6	Sudafed tablets	30mg 24's
7	Drixoral tablets	10's
8	Nyquil	10 oz.
9	Dristan tablets	24's
10	Vicks Formula 44-D cough mixture	3 oz.
11	Drixoral tablets	20's
12	Robitussin	4 oz.
13	Nyquil	14 oz.
14	Robitussin DM	8 oz.
15	Sudafed Plus tablets	24's
16	Contac capsules	20's
17	Robitussin CF	4 oz.
18	Sudafed tablets	30mg 48's
19	Comtrex	24's
20	Sudafed tablets	30mg 100's

Source: *Drug Store News* 1983 OTC study

1983's best-selling cough/cold products by dollar sales

Rank	Product	Size
1	Nyquil	6 oz.
2	Nyquil	10 oz.
3	Drixoral tablets	30's
4	Contac capsules	10's
5	Afrin nasal spray	15ml
6	Nyquil	14 oz.
7	Robitussin DM	4 oz.
8	Drixoral tablets	10's
9	Actifed tablets	24's
10	Dristan tablets	24's
11	Sudafed tablets	30mg 24's
12	Robitussin DM	8 oz.
13	Contac capsules	20's
14	Vicks Formula 44-D cough mixture	3 oz.
15	Sudafed tablets	30mg 48's
16	Sudafed tablets	30mg 100's
17	Sudafed Plus tablets	24's
18	Robitussin CR	4 oz.
19	Comtrex	24's
20	Robitussin	4 oz.

Source: *Drug Store News* 1983 OTC study

At Bartell, the everyday price for Actifed 12's, the chain's best seller, is normally $1.79. In comparison, Contac 10's cost $2.59 while Drixoral 10's cost $2.99.

However, while a strong price point helps, it does not necessarily assure aggressive sales. Drixoral still sells well even at $5.20 for 20's and $10 for 40's. "People will spend any amount," says Medicare-Glaser's Norm Labus, "to get relief from colds. Price is not an object."

Many buyers reported that during the winter when cough/cold preps are advertised aggressively, margins on top selling products can drop to between 15% and 20%. However, with every-day pricing, margins for the category average between 25% and 37%. Margins on Actifed are usually higher than on other brands. A chain like Bartell commonly takes a 37% margin on Actifed compared to about 20% margin on Contac.

Turns for the category generally average about six times a year with the bulk of sales, of course, being seasonal.

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DRUG STORE NEWS

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Skaggs zeroes in on Jewel Cos.

By Jim Ricchiuti

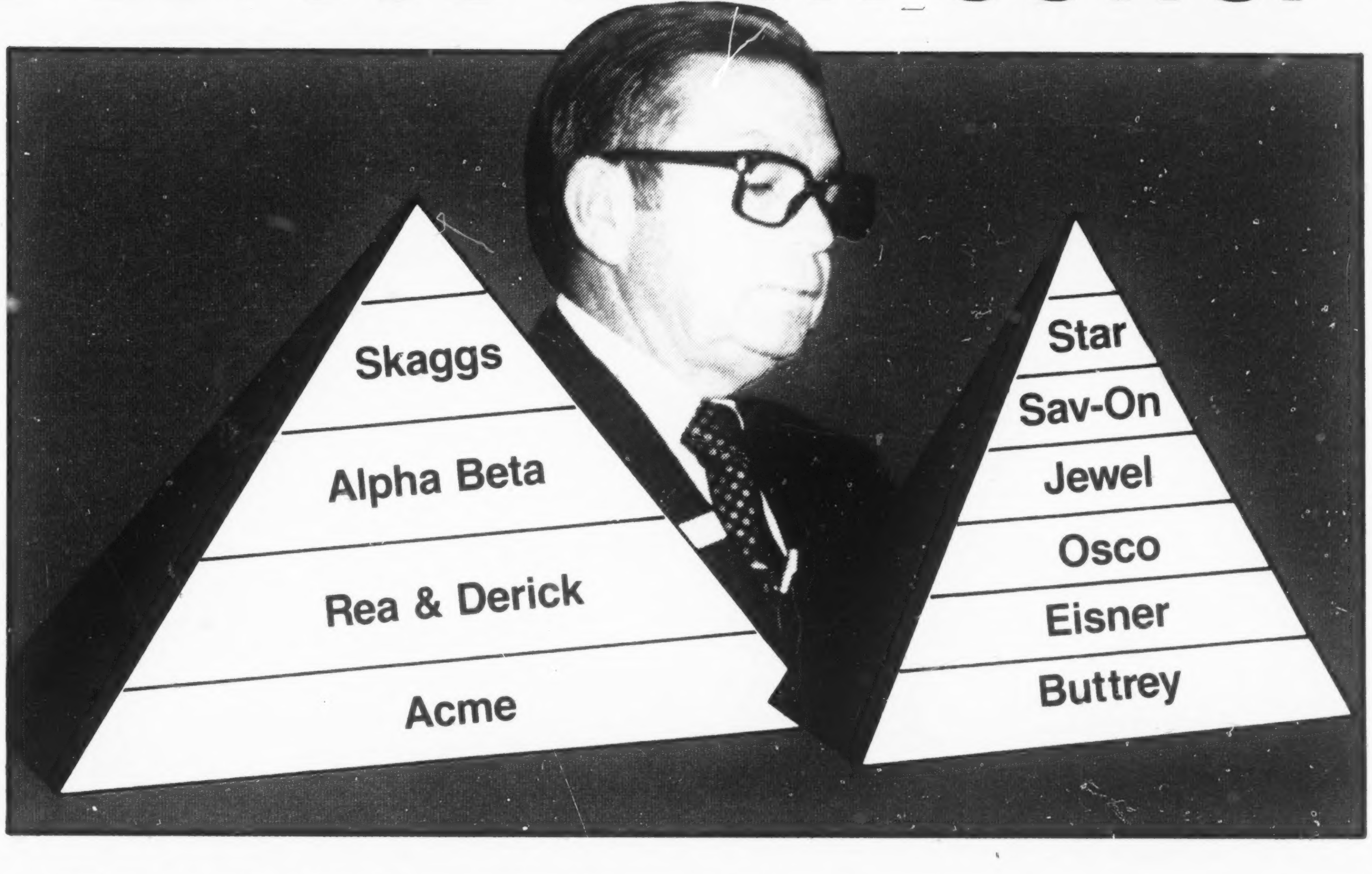
CHICAGO—The battle lines have been drawn in what may become the most intense corporate struggle in chain drug history.

Earlier this month American Stores proposed a $1 billion takeover bid for Jewel Companies. The merger, if implemented, would create a huge food and drug retailing conglomerate with total sales in excess of $14 billion. Sales from the drug division alone would top $4 billion.

The unfriendly proposal came only weeks after Jewel chairman and ceo Weston Christopherson rejected an informal offer by L. S. Skaggs, American Stores chairman and ceo.

In a letter sent to Skaggs shortly after a meeting between the two ceo's, but before Skaggs made his offer publicly Christopherson stated that a "combination would not be in the best interest of Jewel and its people at this time."

But despite Jewel's initial refusal, American Stores is seeking to acquire 67% of Jewel's 15.4 million shares of common and preferred convertible stock outstanding. American indicated that it would offer $70 a share for common stock outstanding and $49.91 per share for preferred stock outstanding. The remaining 33% of Jewel's shareholders will be offered $70 a share in securities.



Among the defenses available to Jewel, if, as some industry sources and security analysts expect, they decide to fight the proposed merger would be to attempt to make an acquisition of its own. There also is a possibility that Jewel will seek a white knight to initiate a friendly offer for the Chicago based food and drug concern.

American Stores, reacting to reports that Jewel may try to counter the takeover by making its own acquisition, threatened to reduce the $70-a-share offer. In a letter to the Jewel board, L. S. Skaggs said that American might also withdraw the cash offer and instead offer securities as the "form of consideration" for the entire proposal.

Analysts who follow both companies were divided over

Continued on page 54

Denver summit outlined Skaggs' management plan

The April 25 meeting in Denver between W. R. Christopherson, chairman and ceo of Jewel Cos., and L. S. Skaggs, chairman of American Stores, was a cordial one.

While the main topic of the meeting was the proposed merger, the two ceo's also discussed the close relationships between the founders of various divisions of both companies, as well as the two previous, but unsuccessful attempts to merge the companies.

In his letter to Christopherson shortly after the meeting, Skaggs wrote: "As we have also discussed, our companies share a common ancestry, since your Osco subsidiary was originally founded by one of my uncles, L. L. Skaggs, and Jewel and Skaggs share a common director during the 1960's in Paul Stratton. . . . I cannot help but be struck by the significant historical intertwining of our organizations and the destiny which seems to compel this combination."

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American unveils FAD—new deep-discount store

SALT LAKE CITY—American Stores has launched a deep-discount food/drug warehouse store here and will open at least one and possibly two more by year end.

The first limited-assortment store, called Skaggs FAD (Food and Drug at Discount), is 31,000 sq. ft. (18,000 sq. ft. selling) and is located 20 miles from American Stores headquarters on a site formerly occupied by a Skaggs Drug Center.

FAD carries 2,500 nonperishable food items and 500 health and beauty aid products. Food items are sold only in case lots, while H&BA is stocked in shelf packs of 3, 6 and 12.

One reliable source said FAD is working on an average gross margin of only 6%.

What makes the store radically different from other warehouse outlets is its merchandising concept: Traditional drug

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Operates 68 units

Quael files Chapter 11 petition

By Faye Brookman

DETROIT—Quael Corp., one of several offshoots of the old Cunningham Drug Store chain, has filed a petition to reorganize under Chapter 11 of the Federal Bankruptcy Law.

The petition filed in the U.S. Bankruptcy Court in Detroit seeks "the necessary time to continue operating as a viable business," according to Ray A. Shapero, chairman and ceo.

Letters sent to suppliers and store managers said that present management will be retained and that the business will continue to operate as usual.

Ray Shapero, chairman and ceo of the troubled Quael Corp.

Shapero termed the action the "most positive of several alternatives to resolve a loan repayment schedule with Quael's prime lender, First of America Bank-Detroit."

Local sources say Quael is hoping to use the protection of Chapter 11 to reorganize and "perhaps dump several stores."

Quael operates 68 outlets, primarily in resorts, office and hotel (ROH) complexes. The corporation was founded last year when former Cunningham chief Shapero teamed up with William E. Pannill, a former Peoples executive. The two

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Pay Less looks to future with deep-discount

WILSONVILLE, Ore.—After more than a year of study, Pay Less NW, operating 151 conventional superdrug stores, is launching two new formats: a deep-discount drug store and a 10,000-sq.-ft. Revco-type store.

The first deep-discount store, a revamp of a conventional 30,000-sq.-ft. Pay Less store in Mall 205 on Portland's east side, will open around July 1. The 10,000-sq.-ft. unit will open this fall. Pay Less will not reveal the location, but it will probably be in Oregon near chain headquarters.

The name selected for the deep-discount division is Value Giant. Thus, Pay Less returns to the name of the northern California chain it acquired 10 years ago and changed to the Pay Less logo. Why the return to Value Giant? "Because," says a chain exec, "it's a good name."

Pay Less decided to go with deep-discount because, an exec notes, "the concept is moving West."

Pay Less was faced with a difficult decision on deep-discount. Explains an exec: "We could have sat tight and continued operating only superdrug stores. We realize there are limited locations for deep-discounters, and while they may have hurt us in the short run, we could win by the numbers—especially if we had a lot of stores in one area. However, we decided to protect our future business by opening deep-discount stores. These stores may be competing with our conventional stores—but at least it will keep others from getting the business."

A name has not yet been selected for the 10,000-sq.-ft. units. The stores will be keyed to small towns with population of 5,000 to 10,000 which cannot support a superdrug store. Unlike Value Giant, the 10,000-square-footers will not be revamps of Pay Less stores. They will be new locations—either built from the ground up or existing buildings.

Asked what kind of volume and gross margins Pay Less is projecting for the 10,000-sq.-ft. store, a Pay Less exec told *Drug Store News:* "We don't know right now—but my guess is that volume will be around $1.5 million to $1.8 million." This compares with almost $6 million for the conventional 30,000-sq.-ft. Pay Less store.

The exec added that "while I don't know the margins, I suspect they could be higher—not because of price differentials—but because we will not be running heavy loss leaders on grocery items. Also, we will not have a big ad budget. The store will have a traditional drug store mix: H&BA, pharmacy, greeting cards, cosmetics, housewares."

Late News

MALONE & HYDE, Memphis-based food distributor and owner of the Super D drug store chain, will be purchased by a group led by the corporation's chairman and president, Joseph R. Hyde.

Although the specific amount was not disclosed, the purchase price is believed to be about $580 million or $35 a share.

The corporation said this was a friendly acquisition offer made by the group that also includes other Malone & Hyde senior executives along with Kohlberg, Kravis, Roberts & Company.